GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:4603
ANSWERED ON:25.04.2005
ENTRY OF PRIVATE FARM PRODUCE MARKETS
Scindia Shri Jyotiraditya Madhavrao

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government has evolved a plan for facilitating the entry of private farm produce markets to link the farmer directly to the consumer;

(b) if so, the details thereof; and

(c) the steps taken to implement the same?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI KANTILAL BHURIA):

(a) and (b) Setting up of Agricultural Markets is a State Subject. Under the existing law dealing with agricultural markets (APMC Act), the State Government alone is empowered to initiate the process of setting up of markets for agricultural commodities in notified areas. The processing industry cannot buy directly from the farmers. The farmer is restricted from entering into direct contract with any manufacturer as the produce is required to be canalized through regulated markets. These restrictions are acting as disincentive to farmers, trade and industries. The State Governments have, therefore, been advised to bring reforms in the APMC Act to allow direct marketing and contract farming and to permit setting up of competitive markets. Development of alternative competitive markets in private and cooperative sectors would provide freedom to farmers to sell their produce in the markets providing better prices/services.

(c) A modal APMC Act has been circulated by this Ministry to all the States, to guide` them in bringing changes in their respective APMC Act for the removal of all restrictions on direct marketing by the farmers. A reform linked Central Sector Scheme for Development/ Strengthening of Marketing Infrastructure, Grading and Standardization has been approved to assist the development of agricultural marketing infrastructure in the States/UTs that amend the APMC Act on the lines suggested in the model law.